

FY-2022 Revenue Certification

June 21, 2021



OKLAHOMA

Purpose

- **Purpose of Agenda Item #5**
 - To certify funds available for FY 2022 as a result of law changes made during the 2021 legislative session.

Contents

- Agenda Item #5
 - Law Changes
 - FY22 Budget Overview
 - Board Action as Required by Law

2021 SESSION LAW CHANGES - BUDGETARY IMPACT BY BILL

Legislation	FY-2022 GRF (95%)	FY-2022 1017 FUND
HB1588 - Forestry Equipment Sales Tax Exemption	(\$401,119)	(\$52,823)
HB1566 - Sales Tax Exemption for Aquariums	(\$72,281)	(\$9,519)
HB2292 - Tobacco Tax Mod and Procedure	\$1,268,693	\$28,023
HB2780 - Mixed Beverage/Garnishments	\$1,646,559	\$141,780
HB2178 - ABLE Funds	(\$222,159)	(22,768)
HB1935 – Sales Taxes exemptions Affordable Housing, UHTA	(\$3,251,049)	(428,128)
HB2949 – Amends changes in HB1935, reducing FY22 impact	\$3,115,225	\$410,241
HB2960, HB2961, HB2963 Corporate Tax Reduction	(39,683,875)	(8,893,500)
HB2962 - Individual Income Tax Reduction	(67,587,667)	(6,926,787)
HB2893, HB2894 – Restores Dedicated Revenue to Pensions		(133,038,400)
		(CONT.)

2021 SESSION LAW CHANGES - BUDGETARY IMPACT BY BILL

Legislation	FY-2022 GRF (95%)	FY-2022 1017 FUND
SB66 – Premium Tax Exemptions for Schools	(400,106)	
SB909 - Sales tax exemption for small museums	(\$115,967)	(\$15,272)
HB2964 - Motor Vehicle Sales Tax Exemption for Commercial Trailers	(\$6,372,629)	(\$839,206)
SB608 – Film Credit	(28,500,000)	
HB2900 Oklahoma Medical Marijuana Authority Revolving Fund Appropriation		\$37,500,000
HB2895- ROADS Reapportionments		(\$180,000,000)
Budgetary Impact for All Bills	<u>(\$140,576,378)</u>	<u>(\$ 292,146,358)</u>

2021 SESSION LAW CHANGES - BUDGETARY IMPACT BY BILL

Legislation	FY-2022 ROADS FUND	Special Cash	State Transportation Fund
HB2895 – ROADS Reapportionments	\$575,000,000		
HB2900 – Special Cash appropriations		\$57,315,210	(\$19,315,210)
Budgetary Impact for All Bills	<u>\$575,000,000</u>	<u>\$ 57,315,210</u>	<u>(\$19,315,210)</u>

2021 SESSION LAW CHANGES - BUDGETARY IMPACT BY BILL

Notable Fiscal Bills without FY22 Impacts

- HB2946 – Broadband Bill \$42 million
- SB1080 – Equal Opportunity Scholarship \$45 million

2021 SESSION LAW CHANGES – FY22 IMPACT SUMMARY

GRF (95%)	1017 FUND	ROADS FUND	Special Cash Fund	State Transportation Fund
<u>(\$140,576,378)</u>	<u>(\$ 292,146,358)</u>	<u>\$575,000,000</u>	<u>\$ 57,315,210</u>	<u>(\$19,315,210)</u>

Total Budgetary Change to Certified and Authorized Funds

\$180,277,265

Appendix 1: Expenditure Authority 2021 Session (Feb) vs. Proposed Expenditure Authority 2021 Session (June)

	2021 Session FY22 Authority (Feb, in \$M's)	2021 Session FY22 Authority (June, in \$M's)	Difference (\$M's)	Difference (%)
Certified Funds	\$6,710.5	\$6,569.9	(\$140.6)	(2.1%)
1017 Fund	1,171.0	878.2	(292.6)	(25.0%)
GP – Oil Education Funds	142.1	142.1	0	0.0%
Tobacco Fund	13.7	13.7	0	0%
Judicial Revolving Fund	20	20	0	0.0%
Transportation Fund	206.2	186.9	(19.3)	9.4%
ROADS Fund	0	575.0	575.0	0.0%
Prior Year Certified	1,137.0	1,137.0	0.0	0.0%
Cash	40	97.3	57.3	143.3%
Cash Flow Reserve Fund	200	200	0	0.0%
Add'l Revolving Fund Approp	<u>0</u>	<u>128.1</u>	<u>128.1</u>	<u>0.0%</u>
Total	\$9,640.5	\$9,948.8	\$308.3	3.2%

***For more detail, see Appendix A-1, pages 10 & 11.
(Totals may not sum to packet, due to rounding.)**

FY-2022 Expenditure Authority vs. FY-2022 Authorized Expenditures

	2021 Session FY22 Authority (June, in \$M's)	2021 Session FY22 Expenditures (June, in \$M's)	Unencumbered/ Unspent Difference (\$M's)	Difference (%)
Certified Funds	\$6,569.9	\$6,324.8	(\$245.1)	(3.7%)
1017 Fund	878.2	875.3	(2.9)	(<1%)
GP – Oil Education Funds	142.1	142.1	0.0	0.0%
Tobacco Fund	13.7	13.7	0.0	0.0%
Judicial Revolving Fund	20	20	0.0	0.0%
Transportation Fund	186.9	186.9	0	0.0%
ROADS Fund	575.0	575.0	0.0	0.0%
Prior Year Certified	1,137.0	501.7	(635.3)	(55.9%)
Cash	97.3	97.2	0.1	(<1.0%)
Cash Flow Reserve Fund	200	200	0	0.0%
Add'l Revolving Fund Approp	<u>128.1</u>	<u>128.1</u>	<u>0</u>	<u>0.0%</u>
Total Authorized Budget	\$9,948.8	\$9,064.8	(\$884.1)	(8.9%)

Summary of Reserves and Unencumbered/Unspent Revenues

Fund	Amount
Rainy Day Fund (RDF)	\$58.7 million
Revenue Stabilization Fund (RSF)	\$171.2 million
Total Reserves (RDF and RSF)	\$229.9 million
Anticipated Unspent Budget	\$884.1 million
Current FMAP Rate Preservation Fund Balance	\$33.5 million
FMAP Rate Preservation Fund Deposit	\$164.1 million
Total	\$1,311.6 million

One-time Revenues and Cash

Fund	Amount
FY22 June BOE Authority	\$9,948.8 million
FY21 General Revenue Carryover	\$1,137.0 million
Other Certified Funds' cash	\$40.0 million
Cash Flow Reserve Fund	\$200.0 million
Special Cash	\$57.3 million
Additional Revolving Fund Appropriations	\$128.1 million
Total One Time Revenues and Cash	\$1,562.4 million
New Recurring Base	\$8,386.4* million

*Base will be further reduced in FY23 when full impact of session law changes take effect



Certification of FY-2022 Estimate

	FY-2022 ESTIMATE 16-Feb-21	FY-2022 ESTIMATE 21-Jun-21	INCREASE OR (DECREASE)	PERCENT CHANGE
GENERAL REVENUE FUND	\$6,790,273,462	\$6,642,298,328	(\$147,975,134)	(2.2%)
C.L.E.E.T. FUND	\$2,642,798	\$2,642,798	\$0	0.0%
COMMISSIONERS OF LAND OFFICE FUND	\$8,849,414	\$8,849,414	\$0	0.0%
MINERAL LEASING FUND	\$5,500,000	\$5,500,000	\$0	0.0%
SPECIAL OCCUPATIONAL HEALTH & SAFETY FUND	\$950,000	\$950,000	\$0	0.0%
PUBLIC BUILDING FUND	\$1,683,070	\$1,683,070	\$0	0.0%
OK EDUCATION LOTTERY TRUST FUND	\$61,000,000	\$61,000,000	\$0	0.0%
STATE PUBLIC SAFETY FUND	\$24,367,443	\$24,367,443	\$0	0.0%
HEALTH CARE ENHANCEMENT FUND	\$155,381,000	\$155,381,000	\$0	0.0%
ALCOHOLIC BEVERAGE CONTROL FUND	\$13,000,000	\$13,000,000	\$0	0.0%
OKLAHOMA PENSION IMPROVEMENT REVOLVING FUND	\$60,000	\$60,000	\$0	0.0%
GRAND TOTAL	\$7,063,707,187	\$6,915,732,053	(\$147,975,134)	(2.1%)
95% APPROPRIATIONS AUTHORITY	\$6,710,521,827	\$6,569,945,451	(\$140,576,378)	(2.1%)

*Summarized data from Schedule 2, pg 2, columns 5 & 6 and Appendix A-2, pages 12 and

Board Action- Certification of FY-2022 Estimate

- Page 1: Columns 2 and 3
 - Move to certify the FY-2022 revenue estimate of all certified funds of \$6,915,732,053 and appropriations authority of \$6,569,945,451.

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